

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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General Internal Conditions and Popular Attitudes

1. A considerable change in the attitude of the people towards the regime could be observed since October 1953. The people are entirely disinterested in events occurring in the hierarchy of the Tito regime. Although the control of the regime is still quite strong in the cities and larger towns, which is largely the result of the Party's front organization, the Socialist Federation of the Working People of Yugoslavia, it is obvious that fear of the police has faded considerably. For example, it is common for people to publicly express their dissatisfaction with the regime in various forms. It is not unusual to hear people in public bars condemning Tito to hell and in some instances celebrating their expulsion from the Party. Nevertheless, it would be incorrect to interpret such manifestations as indications that the people are escaping from the control of the secret police, the UDB. It is almost certain that the watchful eye of the UDB notes this hostile action and records such behavior in the personal files of the individuals concerned. It would be wrong to assume that the present situation implies the presence of even speculation of anti-regime activity.

25 YEAR RE-REVIEW

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2. In the villages the situation is entirely different. Peasants openly criticize the regime and its economic policy. It is quite normal for the nationalists to gather at night in the houses of outstanding peasant nationalists without being disturbed. The small number of village communists, usually eight to ten in the average village, is thoroughly subdued by reminders of "a day of reckoning" and the consequences attending the recording of their names in "nationalist black books". Village communists realize that it would not serve any practical purpose for them to continue antagonizing their fellow villagers. Consequently, they try to establish a modus vivendi. The most common slogan used by the village communists under such conditions is "Let's save the appearances". Within a 100

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the communists in their villages try to play double roles in order to save their necks, but their plans will fail because the women of the villages would never pardon them and would take care of their extermination. The contrast between the situation in the villages, where there is practically no enforcement of Party regulations, with that existing in the towns and cities can be described as being similar to an ocean surrounding a few organized islands.

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3. An additional difficult problem faced by the regime is presented by the current attitude of industrial workers. As a result of their dissatisfaction with working conditions and their standard of living, worker discipline has decreased considerably. The workers are convinced that the regime is incapable of improving their living conditions and therefore refuse to obey the orders of their foremen or political secretaries. Many concrete examples of this lack of discipline can be cited. In one instance, two supervisors of the Federal Economic Council called on the manager of a large firm in order to hear an explanation of a certain economic plan for that company. The manager immediately invited his engineers, assistants and bookkeeper into the conference room. As the bookkeeper entered the room, he looked at the political secretary of the company and told the manager that there was no place for him to sit in the room if the political secretary were there. The manager requested that the political secretary leave the conference. Another example of lack of discipline took place when a worker opened the door of the office of the factory manager, who was a communist, and said, "Comrade manager, go to hell", and slammed the door. The manager complained that he was not in a position to fire the worker without making a fool of himself. His request to discharge one worker must be presented to the Executive Committee of the Workers' Council, and possibly the Council would demand a full explanation of the real reasons behind his request.
4. The production of industry for three shifts is in general 40-50 percent lower than was pre-war production for two shifts. At the same time, there are about ten times as many clerks and employees in the offices of the same factories. This poor production is attributed to the lack of authority held and exercised by the foremen and supervisors. Experienced and well-trained foremen are not usually members of the Party which results in their requests being overruled by communist supervisors who are afraid of antagonizing the workers.
5. Youth has become an additional problem to the regime. In 1944, when the communists came into power, they attempted to win the youth by advocating separation from the family and promising a good time. However, they failed to give the youth an adequate ideological substitute for their family or former school education. Consequently, at the present time

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they accept neither family nor governmental control. [redacted] approximately 60 per cent of the youth are anti-communist and anti-regime and follow their family tradition and about 20 percent completely undisciplined. Before the war it was an exceptional case to see a young boy singing in the church choir. Now, however, the young people demonstrate their anti-regime sentiments by attending the churches and taking an active part in church services.

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6. That there has been an increase in antagonism between ethnic groups in Yugoslavia is common knowledge. [redacted] this situation can be principally attributed to bad economic conditions. Each of the ethnic groups believes that the other groups receive more funds and financial assistance from the Federal Government. This feeling intensifies the traditional hatred among these groups. If one can prove that a governmental order involves the transfer of goods to another republic, there is no difficulty in having such an order suspended. [redacted] able to have cancelled an order transferring structural material from one firm to another by showing that such a transfer implied the eventual shipment of the order to Bosnia.
7. It is not unusual for a Croat residing in Belgrade to find in his mail box a warning to the effect that he should remember 1941, meaning the atrocities inflicted by the Croats on the Serbs.

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The Economic Situation and its Negative Effects on the Solidarity of the Regime

8. The general economic situation in Yugoslavia is worse than it was in 1948. The disastrous economic situation could be expressed by citing the simple fact that in the most fertile region of Yugoslavia, the Vojvodina, only 15 percent of the arable land had been plowed by the end of March. Moreover, there are practically no foreign currency reserves and the Germans have stopped shipment of machinery and other merchandise due to the failure of Yugoslavia to pay its debts. Some factories are being closed because of lack of raw materials, machinery or spare parts. In March 1954 there were 6,000 unemployed in Belgrade. Reserves of wheat are short some 750,000 metric tons. This situation constitutes one of the principal reasons for internal trouble in the higher ranks of the Federation of Communists of Yugoslavia, FCY.
9. Peasant obstruction is also an important factor pressuring the current regime. The peasants are cultivating only a minimum amount of their land. They feel that the small advantages gained by selling their products to the regime do not compensate the larger comfort given to the regime by making their products available.
10. Another facet of the increasing pressure being applied to the regime is the fact that many sincere supporters of the regime have lost faith in the ability of the regime to improve the standard of living or to solve any of the other serious economic problems. [redacted] as an example of this disillusionment the experiences of several [redacted] who have either left their high positions in state enterprises or are contemplating leaving them because of the continuance of economic dislocation.

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The Djilas Case and Party Schisms

11. Djilas' articles criticizing the country administration were taken by the members of the Party as a purely theoretical, political discussion which had nothing to do with their privileged position. However, after the publication of Djilas' article in Nova Misao, in which Djilas attacked directly the position of this group, the Party cadres reacted violently. They organized a campaign led by Tito's wife, Jovanka, and Kidric's widow, and in a few days succeeded in eliminating Djilas from all Party and governmental functions.
12. There are people in Belgrade who are of the opinion that Djilas was liquidated because he has come under the influence of the left-wing Labor Party doctrine, and because his articles drew to him many sympathizers among younger FCY members and even among the non-communists. There are also a few people who are of the opinion that Djilas was liquidated by Tito and Kardelj in order to facilitate their reconciliation with Moscow.
13. According to general opinion in Belgrade, Djilas is an abstract political theorist and a fanatical political ideologist, but at the same time a demagog. Djilas believes in the principle stated in his articles. By preaching for more individual freedom, respect of the laws, criticizing the FCY monopoly in country administration, and the privileges of the new small "aristocratic" communist group near Tito, he gained many sympathizers among the younger FCY members, but he damaged considerably the unity and authority of the Party.
14. All Party organizations, after Djilas was eliminated, obtained written instructions from their superior Party authority regarding the stand they should take in discussions of the Djilas case. All government officials in the Republic of Slovenia who were Djilas' sympathizers were dismissed from their respective posts.
15. It is generally known that Edvard Kardelj and Alexandar Rankovic are fighting for additional power and prestige in the Party. After the Djilas case and because of Tito's illness, there were many rumors in Belgrade about the increasing tension between these two top-level communists. Due to the fact that both of these men are Tito's close collaborators and occupy key positions in the Party organization and the government, it is not easy to predict the final results of this conflict, even should Tito offer his personal support to one of them.  despite Rankovic's exalted position, he is in danger.<sup>1</sup>
16. The failure of Rankovic to condemn Djilas at the Plenum of the Central Committee in January 1954 after Tito had taken a strong stand against Djilas was regarded by many as a demonstration of independence and power to support this action. Kardelj, on the other hand, has always been viewed in Yugoslavia as the "left-wing" leader of the Tito regime. It is generally believed that he is the principal opponent to any rapprochement with the West. The assignment of Koca Popovic to the post of Secretary of State for Foreign Affairs was interpreted as an attempt by the regime to advance a person less pronounced in his opposition to collaboration with the Western powers.

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17. [redacted] no indications of any member of the Party's Executive Committee or the Central Committee favoring rapprochement with the USSR. [redacted] the only logical person to advocate such a policy would be Kardelj. 25X1
18. The Chief of the Yugoslav General Staff, Peko Dapcevic, has lost his authority and has become a subject of gossip. His trip [redacted] was an additional factor in lowering his prestige, since it was generally interpreted in Belgrade as a gesture by Tito to "save the poor guy" from looking at the people who wore on their faces only expressions of pity. On the other hand, General Ivan Gosnjak is considered to be the key military personality; it should not be forgotten that he is a Croat. 25X1

Yugoslavia in the Event of War

19. The regime will probably be able to exercise full control over those serving regular military terms, but it is very difficult to believe that mobilization would succeed in the villages. Should an advisory staff of Western officers appear in Yugoslavia, the anti-communists would liquidate their officers and/or join the Allies. The presence of Western military units or staffs would be an indication to the people that the regime has no authority and cannot fight by itself. Moreover, if the West were requested to send military aid, the nationalists would consider that a definite sign that they should assume power by force and fight on the Western side.

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